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PRESIDENT'S MESSAGE.

Fellow-Otizens of the Senate and House of

Upon the reassembling of Congress, it again becomes my duty to call your attention to the state of the Union, and to its continued disorganized condition under the various laws which have been passed upon the subject of reconstruction.

It may be safely assumed, as an axiom in the government of States, that the greatest wrongs inflicted upon a people are caused by unjust and arbitrary legislation, or by the parelenting decree of despotic rulers, and that the timely revocation of injurious and that can be conferred upon a nation. The legislator or ruler who has the wisdom and magnanimity to retrace his steps, when convinced of error, will sooner or later be rewarded with the respect and gratitude of an intelligent and patriotic people.

Our own history-although embracing period less than a century - affords abundant proof that most, if not all, of our domestic troubles are directly traceable to violations of the organic law and excessive legislation. The most striking illustrations of this fact are furnished by the enactments of the past three years upon the question of reconstruction. After a fair trial they have substantially failed and proved pernicious in their results, and there seems to be no good reason why they should longer remain upon the etatute book. States to which the Constitution guarantees a republican form of government have been reduced to military dependoncies, in each of which the people have been made subject to the arbitrary will of the commanding general. Although the Constitution requires that each State shall participation in the recent election for a President and Vice President of the United States. The attempt to place the white population under the domination of persons of color in the South has impaired, if not destroyed, the kindly relations that had previously existed between them; and mutual distrust has engendered a feeling of an-Imposity which, leading in some instances to collision and bloodshed, has prevented that co-operation between the two races so essential to the success of industrial enterprises in the Southern States. Nor have the inhabitants of those States alone suffered from the disturbed condition of affairs growing out of these Congressional enactments. The entire Union has been seitated by grave apprehensions of troubles which might again

lavolve the peace of the nation; its inter-

ests have been injuriously affected by the

consequent want of prosperity throughout

The Federal Constitution-the magna

derangement of business and labor, and the

that portion of the country.

charter of American rights, under whose wise and salutary provisions we have suc confully conducted all our domestic and for eign affairs, sustained ourselves in peace and in war, and become a great nation among the powers of the earth-must assuredly be now adequate to the settlement of questions growing out of the civil war waged alone for its vindication. This great fact is made most manifest by the condition of the country when Congress assembled in the month of December, 1865. Civil strife had ceased; the spirit of rebellion had spent its entire force; in the Southern States the people had warmed into national life, and throughout the whole country a healthy reaction in public sentiment had taken place. By the application of the simple yet effective provisions of the Constitution, the Executive Department, with the voluntary aid of the States, had brought the work of restoration as near completion as was within the scope of its authority, and the nation was encouraged by the prospect of an early and eatisfactory adjustment of all its difficulties. Congress, however, intervened and, refusing to perfect the work so nearly consummated, declined to admit members from the unrepresented States, adopted a series of measures which arrested the progress of restoration, frustrated all that had been so successfully accomplished, and, after three years of agitation and strife, has left the country farther from the attainment of union and fraternal feeling than at the inception of the congressional plan of reconstruction. It needs no argument to show that legislation which has produced such baneful consequences should be abrogated, or else made to conform to the genuine principles of re-

repeal is demanded by the best interests of erament have successively been five hunthe country, and that while it remains in dred and twenty millions, three hundred force the President cannot enjoin that rigid and forty-six millions and three hundred accountability of public officers so essential to an honest and efficient execution of the laws. Its revocation would enable the Executive Department to exercise the power of appointment and removal in accordance with the original design of the Federal Constitu-

The act of March 2, 1867, making appropriations for the support of the army for the year ending June 30, 1868, and for other purposes, contains provisions which interfere with the President's constitutional fune tions as commander-in-chief of the army. and deny to States of the Union the right to protect themselves by means of their own militia. These provisions should be at once

annulled; for while the first might, in times of great emergency, seriously embarrass the Executive in efforts to employ and direct the common strength of the nation for its protection and preservation, the other is contrary to the express declaration of the Constitution, that "a well regulated militia being necessary to the security of a free State, the right of the people to keep and bear arms shall not be infringed."

It is believed that the repeal of all such laws would be accepted by the American people as at least a partial return to the fundamental principles of the government, and an indication that hereafter the Constitution oppressive measures is the greatest good is to be made the Nation's safe and uncering guide. They can be productive of no permanent benefit to the country, and should not be permitted to stand as so many monuments of the deficient wisdom which has

characterized our recent legislation. The condition of our finances demand the early and earnest consideration of Congress. Compared with the growth of our population, the public expenditures have reached an amount unprecedented in our

The population of the United States in 790 was nearly four millions of people.-Increasing each decade about thirty-three per cent., it reached in 1860 thirty-one milions -an increase of seven hundred per cent on the population in 1790. In 1869 it is estimated that it will reach thirty-eight million, or an increase of eight hundred and

sixty-eight per cent, in seventy-nine years. The annual expenditures of the Federal Government in 1791 were four million two and that the expenditures for the same hundred thousand dollars; in 1820, eighteen million two hundred thousand dollars : in 1850, forty-one millions; in 1860, sixtybe represented in Congress, Virginia, Mississippi and Texas are yet excluded from the hundred millions, and in 1869 it is estimatwo Houses, and contrary to the express ted by the Secretary of the Treasury, in his last annual report, that they hundred and seventy-two millions.

By comparing the public disburs of 1869, as estimated, with those of 1791. it will be seen that the increase of expenditure since the beginning of the Government has been eight thousand six hundred and eighteen per centum, while the increase of the population for the same period was only eight hundred and sixty-eight per centum Again the expenses of the Government in 1860, the year of peace immediately proceding the war, were only sixty-three millions while in 1869, the year of peace three years after the war, it is estimated they will be three hundred and seventy-two millionsan increase of four hundred and eighty-nine per centum, while the increase of population same period.

These statistics further show that in 1791 the annual national expenses compared with attained the sum of one hundred and twenthe population, were little more than one dollar per capita, and in 1860 but two dollars per capita, while in 1869 they will reach the extravagant sum of nine dollars and seventy-eight cents per capita.

It will be observed that all these statements refer to and exhibit the disbursements of peace periods. It may, therefore be of interest to compare the expenditures of the three war periods-the war with Great Britain, the Mexican war, and the war of the rebellion.

the war of 1812 reached their highest a- with Mexico-we found ourselves involved mount-about thirty-one millions; while in a debt of sixty four millions; and this our population slightly exceeded eight mildollars and eighty cents per capita, In rebellion. In the spring of 1861 our civil we should not forget what is due to the 1847 the expenditures growing out of the war with Mexico reached fifty-five millions, and the population was about twenty-one millions, giving only two dollars and sixty cents per capita for the war expences of that year. In 1865 the expenditures called for by the rebellion reached the vast amount of twelve hundred and ninety millions which compared with a population of thir ty four millions, gives thirty-eight dollars and twenty cents per capita.

From the fourth day of March, 1789, to the thirtieth day of June, 1861, the entire expenditures of the Government were seventeen hundred millions of dollars. During that period we were engaged in wars with Great Britain and Mexico, and were involved in hostilities with powerful Indian tribes; Louisiana was purchased from France at a cost of fifteen millions of dol lars; Florida was ceded to us by Spain for five millions; California was acquired from Mexico for fifteen millions, and the Territory of New Mexico was obtained from Texas for the sum of ten millions. Early in 1861 the war of the rebellion commenced; Under the influence of party passion and and from the first of July of that year to

and ninety-three millions. Adding to those should be enjoyed by our citizens, rather amounts three hundred and seventy-two than used to build up and sustain moneyed millions, estimated as necessary for the fisobtain a total expenditure of sixteen hundred millions of dollars during the four years immediately succeeding the war, or nearly as much as was expended during the seventytwo years that preceded the rebellion, and embraced the extraordinary expeditures al-

ready named. These startling facts clearly illustrate the necessity of retrenchment in all branches of the public service. Abuses which were tolerated during the war for the preservation of the nation will not be endured by the people, now that profound peace prevails The receipts from internal revenues and customs have, during the vpast three years, gradually diminished, and the continuance of uscless and extravagant expenditures will involve us in national bankruptcy, or also make inevitable an increase of taxes, already too operous, and in many? respects obnoxious on account of their inquisiterial character. One hundred millions annually are expended for the military force, a large portion of which is employed in the execution of laws both unnecessary and unconstitu-tional; one hundred and fifty millions are required each year to pay the interest on the public debt; an army of tax gatherers isapoverishes the nation; and public agents, placed by Congress beyond the control of the Executive, divert from their lefitimate purposes large sums of money which they collect from the people in the name of the Government Judicious E legislation Fand prudent economy can alone remedy defects and avert evils which, if suffered to exist, can not fail to diminish confidence in the public councils, and weaken the attachment and respect of the people towards their political institutions. Without the proper care the small balance which it is estimated will remain in the Treasury, at the close of the present fiscal year, will not be realized, and additional millions be added to the debt

It is shown, by the able and comprehen sive report of the Secretary of the Treasury, that the receipts; for the fiscal year ending June 30, 1868, were \$405,638,003, period were \$377,340,284, leaving in the fiscal year ending June 30, 1870, it is estimated that the receipts will amount to \$327,-000,000, and the expenditures to \$303,000, 000, leaving an estimated, surplus of \$24, 000,000.

It becomes proper, in this connection, to make a brief reference to our public indebtedness, which has accumulated with such plarming rapidity and assumed such colosa

In 1789, when the government commenced operations under the Federal Constitution, it was burdened with an indebtedness of seventy-five millions of dollars, created during the war of the Revolution. This amount had been reduced to forty-five million dollars when in 1812 war was declared was only twenty-one per centum for the against Great Brittain. The three years' struggle that followed largely increased the national obligations, and in 1816 they had ty-seven millions. Wise and economical legislation however, enabled the Government to pay the entire amount within a period of twenty years, and the extinguishment of the national debt filled the land with rejoicing, and was one of the great events of President Jackson's administration. After its redemption a large sum remained in the Treasury, which was deposited for safekeeping in the several States, on condition that it should be returned when required by the public wants. In 1849-the year averse to a settlement of our indebtedness In 1813 the annual expences incident to after the termination of an expensive war was the amount owed by the Government ions, showing an expenditure of only three in 1860, just prior to the outbreak of the war commenced. Each year of its continuance made an enormous addition to the debt; and when, in the spring of 1865, the nation successfully emerged from the conflict, the obligations of the Government had reached the immense sum of \$2,873,992,-

The Secretary of the Treasury shows that on the 1st day of November, 1867, this amount had been reduced to \$2,491,504,450; but at the same time his report exhibits an increase during the past year of \$35,625,102; for the debt on the 1st day of Novembe last is stated to have been \$2,527,129,552. It is estimated by the Secretary that the returns for the past month will add to our liabilities the further sum of eleven millionsmaking a total increase during thirteen months of forty-six and a half millions.

In my message to Congress of Decembe 3, 1865, it was suggested that a policy should be devised which, without being oppressive to the people, would at once begin to effect a reduction of the debt, and, if persisted in, discharge it fully within a definite number of years. The Secretary of the Treasury forcibly recommends legislasectional prajudice, other acts have been the thirtieth of June, 1865, the public ex; tion of this character, and justly urges that

monopolies in our own and other lands .the Sceretary of the Treasury at eight hundred and fifty millions; citizens of foreign countries receive interest upon a large portion of our securities, and American taxfor their support. The idea that such a and enable them to exert a dangerous and ernment. The borrowers would become servants to the lenders-the lenders the masters of the people. We now pride our- a willingness to help to bear them. elves upon having given freedom to four uillions of the colored race; it will then be our shame that forty millions of people, by their own toleration of usurpation and profligacy, have suffered themselves to become enslaved, and merely exchanged slave-own ers for new taskinasters in the shape of ondholders and tax-gatherers. Besides. permanent debts pertain to monarchical goveruments, and, tending to monopolies, perpetuities, and class legislation, are totally irreconcilable with free institutions. Introduced into our republican system, they would gradually but surely sap its foundations, eventually subvert our governmental fabric, and erect upon its ruins a moneyed mit unimpaired to our posterity the bless ings of liberty which were bequeathed to us by the founders of the Republic, and by our example teach those who are to follow us carefully to avoid the dangers which threaten a free and independent people.

Various plans have been proposed for the payment of the public debt. However they may have varied as to the time and mode in which it should be redeemed, there seems pricty and justice of a reduction in the present rate of interest. The Secretary of the paying an extravagant per centage for the use of the money borrowed, which was paper currency, greatly depreciated below the value of coin. This fact is apparent when we consider that bondholders receive from the Treasury, upon each dollar they own in government securities, six per cent. in gold, which is nearly or quite equal to nine per cent, in currency; that the bonds are then converted into capital for the national banks, upon which those institutions issue their circulation, bearing six per cent, interest; and they are exempt from taxation by the Government and the States, and thereby enhanced two per cent, in the hands of the holders. We thus have an aggregate of seventeen per cent., which may be received mon each dollar by the owners of Government securities. A system that produces such results is justly regarded as favoring a few at the expense of the many, and has led to the further inquiry whether our bondholders, in view of the large profits which they have enjoyed, would themselves be upon a plan which would yield them a fair remuneration, and at the same time be just to the tax-payers of the nation. Our national credit should be sacredly observed; but in making provision for our creditors masses of the people. It may be assumed that the holders of our securities have already received upon their bonds a larger amount than their original investment, measured by a gold standard. Upon this statement of facts it would seem but just now paid by the Government should be applied to the reduction of the principal in emi-annual instalments, which in sixteen years and eight months would liquidate the ment of the debt one and a half times in a

If provision be made for the payment of the indebtedness of the Government in the manner suggested, our nation will rapidly passed not warranted by the Constitution. penditure reached the enormus aggregate the longer it is deferred the more difficult recover its wonted prosperity. Its interests toiles in the nation's workshops, or the

letter of the bond.

from the borrower rigid compliance with the

with my views respecting the "tenure of years of peace have intervened, and during should follow the wise procedents establishoffice bill." Experience has proved that its time the disbursements of the Govdelay make provision for the payment of It is not now merely unproductive, but in our obligations at as early a period as may taxation annually consumes one hundred be practicable. The fruits of their labors and fifty millions of dollars, which would otherwise be used by our enterprising people in adding to the wealth of the nation. cal year ending the 30th of June, 1869, we Our foreign debt is already computed by fully rivalled that of the great maritime Powers, has rapidly diminished, and our industrial interests are in a depressed and languishing condition. The development of our inexhaustable resources is checked, payers are made to contribute large sums and the fertile fields of the South are becoming waste for want of means to till them. debt is to become permanant should be at With the release of capital, new life would all times disearded, as involving taxation be infused into the paralyzed energies of too heavy to be borne, and payment once in our people, and activity and vigor impared every sixteen years, at the present rate of to every branch of industry. Our people interest, of an amount equal to the original need encouragement in their efforts to resum. This vast debt, if permitted to be- cover from the effects of the rebellion and come permanent and increasing, must event- of injudicious legislation; and it should be nally be gathered into the hands of a few, the aim of the Government to stimulate them by the prospect of an early release controlling power in the affairs of the Gov- from the burdens which impede their prosperity. If we cannot take the burdens from heir shoulders, we should at least manifest

In referring to the condition of the cirulating medium, I shall merely reiterate, substantially that portion of my last annual nessage which relates to that subject.

The portion which the currency of any ountry should bear to the whole value of the annual produce circulated by its means is a question upon which political economists have not agreed. Nor can it be controlled by legislation, but must be left to the irrevocable laws, which everywhere regulate commerce and trade. The circulating medium will ever irresistably flow to those points where it is in greatest demand. The law of demand and supply is as unerring as that which regulates the tides of the ocean : aristocracy. It is our sacred duty to trans. and indeed currency, like the tides, has its ebbs and flows through the commercial world.

At the beginning of the rebellion the bank note circulation of the country amounted to not much more than two hundred nillions of dollars. Now the circulation of National Bank notes and those known as 'legal tenders' is nearly seven hundred nillions. While it is urged by some that this amount should be increased, others to be a general concurrence as to the pro- contend that a decided reduction is absolutely essential to the best interests of the country. In view of these diverse opinions Treasury in his report recommends five per it may be well to ascertain the real value of cent. Congress, in a bill passed prior to our paper issues, when compared with a ed for their use and benefit, and specimens Treasury a surplus of \$28,297,798. It is adjournment on the 27th of July last, agreed metalic or convertable currency. For this of the precious metals bearing the national estimated that the receipts of the present upon four and four and a half per cent.; purpose, let us inquire how much gold and devices are soldom seen, except when profiscal year ending June 30, 1869, will be while by many three per cent, has been held silver could be purchased by the seven hundred duced to gratify the interest excited by their \$341,392,868, and the expenditures \$336, to be an amply sufficient return for the in152,470, showing a small balance of \$5,240, vestment. The general impression as to the lation? Probadly not more than half the If depreciated paper is to be continued struction and equipment of their road. I exorbitancy of the existing rate of interest has led to an inquiry in the public mind respecting the consideration which the govern- and silver, its commercial value is compress- of traffic and speculation, to the enhance- authority of the Executive which arose uppent has actually received for its bonds, ed into three hundred and fifty millions .and the conclusion is becoming prevalent This striking fact makes it the obvious duty the comfort of the people, it would be wise time to time been presented by the commisthat the amount which it obtained was in of the Government, as early as may be conread money three or four hundred per cent. sistent with the principles of sound politi- the nation the care and expense incident to section of the work. After carefully conless than the obligations which it issued in cal economy, to take such measures as will such establishments, and let all our precious sidering the law of the case, he affirmed the return. It cannot be denied that we are enable the holder of its notes and those of metals be exported in bullion. The time right of the Executive to order, if necessar the national banks to convert them, without has come, however, when the government ry, a thorough revision of the entire road. loss, into specie or its equivalent. A re- and national banks should be required to Commissioners were thereupon appointed to ductions of our paper circulating medium need not necessarily follow. This however, necessary arrangements for a resumption of cently submitted a statement of their inveswould depend upon the law of demand and supply, though it should be borne in mind be carnestly inaugurated by the government that by making legal tender and bank notes and banks, and the value of the paper cir- mation. convertable into coin or its canivalent, their present specie value in the hands of their standard. holders would be enhanced one hundred per

Legislation for the accomplishment of a result so desirable is demanded by the highest public considerations. The Constitution value. At the time of the formation of that instrument, the country had just emer- at home and abroad, ged from the War of the Revolution, and was suffering from the effects of a redundant and worthless paper currency. The sages of that period were anxious to protect can honestly earn, has a direct interest in pense attending the military peace estabtheir posterity from the evils which they maintaing a safe circulating medium-such lishment, and the absolute necessity of rethemselves had experienced. Hence, in providing a circulating medium, they conferred upon Congress the power to coin ject to be blown up or blown down by the duction which his report recommends money and regulate the value thoreof, at the same time prohibiting the States from making anything but gold and silver a ten- the greatest political evils. It undermines sum of \$65, 682,000 is estimated as necesder in payment of debts.

The anomalous condition of our currency is in striking contrast with that which was originally designed. Our circulation now embraces, first, notes of the National Banks which are made receivable for all dues to the Government, excluding imposts, and by all its creditors, excepting in payment of interand equitable that the six per cent, interest est upon its bonds and the securities themselves; second, legal-tender notes, issued by the United States, and which the law requires shall be received as well in payment of all debts between citizens as of all Goventire national debt. Six per cent. in gold crnment dues, excepting imposts; and, third would at present rates be equal to nine per gold and siver coin. By the operation of cent. in currency, and equivalent to the pay- our prescut system of finance, however, the happiness of the mass of the community metalic surrency, when collected, is reserfraction less than seventoen years. This, in ved only for one class of Government crediconnection with all the other advantages de- tors, who, holding its bonds, semi-annually rived from their investment, would afford to receive their interest in coin from the Na the public creditors a fair and liberal com- tional Treasury. There is no reason which pensation for the use of their capital, and will be accepted as satisfactory by the poo with this they should be satisfied. The les-sons of the past admonish the lender that it and protect us on the sea; the pensioner s not well to be over anxious in exacting upon the graitude of nation, bearing the scars and wounds received while in its service ; the public servants in the various Departments of the Government, the farmer five thousand and seven hundred acres of

Congress has already been made familiar of thirty-three hundred millions. Three must become its accomplishment. We require that some measure should be taken chanics and laborers who build its edifices and construct its forts and vessels of war-should, in payment of their just and hard while another class of their countrymen, no value. This can only be accomplished by the restoration of the currency to the standard established by the Constitution; and by this means we would remove a discrimination which may, if it has not already done so, create a prejudice that may become deep rooted and wide spread, and imperil the national credit.

The feasibility of making our currency correspond with the constitutional standard may be seen by reference to a few facts derived from our commercial statistics.

The aggregate product of precious amounted to \$1 173,000,000, while, for the same period, the next exports of specie were \$741,000,000. This shows an excess of product over net exports of \$433,000,000. been concluded, and will be submitted to There are in the Treasury \$103,705,985 in the Senate for its constitutional action. I and we have more than \$300,000,000 not met with signal success, wherever it has probably remaining in the country. These are important facts and show how

completely the inferior currency will supercede the better, forcing it from circulation among the masses, and causing it to be exshow the necessity of retiring our paper money, that the return of gold and silver to demand created which will cause the retention at home of at least so much of the productions of our rich and inexhaustible goldbearing fields as may be sufficient for purposes of circulation. Hit is unreasonable to expect to return to a sound currency so long as the Government and banks, by continuing to issue irredecuable notes, fill the channels of circulation with depreciated paper. Notwithstanding a coinage by our mints, since 1849, of eight hundred and seventyfour millions of dollars, the people are now strangers to the currency which was design-

culation would directly approximate a specie

Specie payments having been resumed by the government and banks, all notes or bills Department and the operations of the arof paper issued by either of a less denomination than twenty dollars should by law be on the 30th of September last was fortyexcluded from circulation, so that the peo- eight thousand men, and it is commuted contemplates that the circulating medium of ple may have the benefit and convenience of that, by the first of January next this numthe country shall be uniform in quality and a gold and silver currency which in all their ber will be decreased to forty-three thousbusiness transactions will be uniform in value and. It is the opinion of the Secretary of

"Every man of property or industry, breath of speculation, but to be stable and While in 1860 sixteen thousand three hunof our profound and most gifted statesmen, that "of all the contrivances for cheating them with paper money. This is the most effectual of inventions to fertilize the rich man's fields by the sweat of the poor man's brow. Ordinary tyranny, oppression, excessive taxation—these bear lightly on the compared with a fraudulent currency, and the robberies committed by depreciated pa-

The Secretary of the interior, in his report gives valuable information in reference to the interests confided to the supervision of his department, and reviews the opera tions of the Land Office, Pension Office, Patent Office and the Indian Bureau.

During the first fiscal year ending June 30, 1868, six million six hundred and fiftywho supplies the soldiers of the army and public land were disposed of. The entire the sailors of the navy; the artisan who cash receipts at the General Land Office for

greater by \$284.883 than the amount real ized from the same source during the pre vious year. The entries under the carned dues, receive depreciated paper, stead law cover two million three bundred and twenty-eight thousand pine bundred more deserving, are paid in coin of gold and and twenty-three acres, nearly one-fourth silver. Equal and exact justice require that of which was taken under the not of all the creditors of the Government should June 21, 1866, which applies only to the be paid in a currency possessing a uniform States of Alabama, Mississippi Louisiana and Florida.

On the 30th of June, 1868, one hundred and sixty-nine thousand six hundred and forty-three names were borne on the pencion rolls, and during the year ending on that day the total amount paid for pensions, including the expenses of disbursement, \$24, 010.982, being \$5,391,025 greater than that expended for like purposes during the precoeding year.

During the year ending the 30th of Sen tember last, the expenses of the Patent Office exceeded the receipts by one hundred tals in the United States from 1849 to 1867 and seventy-one dollars; and, including reissues and designs, fourteen thousand the hundred and fifty-three patents were issued.

Treaties with various Indian tribes have coin; in circulation in the States on the Pa- cordially sanction the stipulations which cific Coast about \$40,000,000, and a few provide for reserving lands for the various millions in the National and other Banks- tribes, where they may be encouraged to in all less than \$160,000,000. Taking into abandon their nomadic habits and engage in consideration the specie in the country pri- agricultural and industrial pursuits. This or to 1849, and that produced since 1867, policy, inaugurated many years since, has accounted for by exportation or by the re- been pursued in good faith and with becomturns of the Treasury, and therefore most ing liberality by the United States. The necessity for extending it as far as practicable in our relations with the aboriginal population is greater now than at any preceding period. Whilst we furnish subsistence and instruction to the Indians, and guarantee ported as a mere article of trade, to add to the undisturbed enjoyment of their treaty the money capital of foreign lands. They rights, we should habitually insist upon the faithful observance of their agreement to remain within their respective reservations. the avenues of trade may be invited, and a This is the only mode by which collisions with other tribes and with the whites can be avoided, and the safety of our frontier settlements secured.

The companies constructing the railway from Omaha to Sacramento have been most energetically engaged in prosecuting the work, and it is believed that the line will be completed before the expiration of the fiscal year. The six per cent, bonds issued to these companies amounted, on the 5th inst. to \$44,337,000, and additional work has been performed to the extent of \$3,200,-000,000.

The Socretary of the Interior in August last invited my attention to the report of a Government director of the Union Pacific railroad company, who had been specially ment in price of all that is indispensable to on this report, and those which had from take the most efficient steps, and make all examine this and other lines, and have respecie payments. Let specie payments once tigations, of which the report of the Secre. tary of the Interior furnishes specific imfor-

The report of the Secretary of War cou-

tains information of interest and importance respecting the several Bureaus of the War my. The strength of our military force, War that within the next year a considerable diminution of the infantry force may be every man who desires to preserve what he made without detriment to the interests of honestly posseses, or to maintain what he the country; and in view of the great exa medium as shall be real and substantial, trenchment wherever it can be applied, it not liable to vibrate with opinions, not sub- is hoped that Congress will sanction the resecure. A disordered currency is one of dred men cost the nation \$16,472,000, the the virtues necessary for the support of the sary for the support of the army during the social system, and encourages propensities fiscal year ending June 30, 1870. The estidestructive of its happiness; it wars against mates of the War Department for the last industry, frugality and economy, and it fos two fiscal years were for 1867, \$33,814,461, ters the evil spirits of extravagance and and for 1868, \$25,205,669. The actual exspeculation." It has been ascerted by one penditures during the same periods were, respectively, \$95,224,415 and \$123,246,648. The estimate submitted in December last the laboring classes of mankind, none have for the fiscal year ending June 30, 1869, was been more effectual than that which deludes \$77,124,707; the expenditures for the first quarter, ending the 30th of September last, were \$27,219,117, and the Secretary of the Treasury gives \$66,000,000 as the amount which will probably be required during the remaining three quarters, if there should be no reduction of the army-making its aggregate cost for the year considerably in excess of ninety-three millions. The difference between the estimates, and expenditures for the three fiscal years which have been named is thus shown to be \$175.515. 343 for this single branch of the public ser-

> The report of the Secretary of the Navy exhibits the operations of that Department and of the navy during the year. A considerable reduction of the force has been utfeeted. There are forty-two vessels carrying four hundred and eleven guns, in the six squadrons which are established in dif-